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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965

No. 601

THE GOODYEAR TIRE & RUBBER COMPANY, ET AL.,
Petitioners

v.

COMMISSIONER OF PATENTS, *Respondent*

On Petition for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

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REPLY BRIEF FOR PETITIONERS

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1. Question 2 Misleading As Stated in Respondent's Brief in Opposition

Respondent's Brief in Opposition, page 2, states the second question in misleading fashion. The Trial Court held in the present case that "Undeniably, there are differences between the Hoppe et al. modification [i.e., the "abandoned" application or, as described by respondent, "the disclosures originally filed before the

application in issue" (Respondent's Brief, page 2)], and the claimed process." (JA 14). The Trial Court held, however, that the Hoppe et al. "continuation-in-part application" which was filed *after* the application in issue "would be a complete anticipation of plaintiffs' invention *if it had been filed early enough*" (Emphasis Petitioners') (JA 15). It necessarily follows that the "abandoned" application was not admissible as evidence of "prior invention" under 35 U.S.C. 102 since it did not disclose the claimed process and was not admissible as evidence of "prior art" under 35 U.S.C. 103 since it was not "known" or "available" at the time petitioners' application was filed.

The continuation-in-part application was neither evidence of "prior invention" under 35 U.S.C. 102 or "prior art" under 35 U.S.C. 103 since it was not "prior" to petitioners in any sense of the word, having been filed *after* petitioners' application. The subject matter which would have made the continuation-in-part application a "complete anticipation . . . if it had been filed early enough" was not "carried forward" from the "abandoned" application. It was "new matter" in the later filed application.

Thus, it is obvious that the fact situation and question presented here differs from that involved in *Hazeltine et al.* v. *Commissioner,* No. 57, October Term, 1965, but there is an overlapping of the legal principle involved, namely, whether or not an earlier filed "abandoned" application is evidence of the "prior art" under 35 U.S.C. 103 as well as evidence of "prior invention" under 35 U.S.C. 102. In Hazeltine, the application in issue was filed *after* the reference application (a "co-pending patent" which did not describe the invention claimed by Hazeltine) but the claimed invention was

made by the applicant (Hazeltine) before the filing date of the reference application. The distinction in this regard is well brought out in the Brief Amicus filed by Mr. Aisenberg in the Hazeltine case (See No. 919, October Term, 1965).

2. Petitioners Join in Respondent's Alternative Recommendation as to Action on Second Question Presented in Petition

Petitioners respectfully join in respondent's *alternative* recommendation (Brief for Respondent, page 8) to the extent that action on the present petition with respect to the *second* question (avilabilty of " abandoned applications" as evidence of "prior art" under 35 U.S.C. 103) be deferred pending the decision of the Court in No. 57, *Hazeltine Research, Inc. et al.* v. *Commissioner.*[1]

At the same time, however, petitioners respectfully urge the Court to consider the effect of the Brief Amicus filed in the Hazeltine case by Irwin M. Aisenberg, Esquire (No. 919, October Term, 1965) on the points raised in the present petition, as well as those raised in the Hazeltine case.

Whereas the reference relied on by the Patent Office in the Hazeltine case is a "copending patent" of *another party,* the Brief Amicus of Mr. Aisenberg discusses, among other things, a fact situation where the reference is a "copending patent" of the *same inventor.* It also distinguishes between the term "prior art" as used in Section 103 and the term "prior invention" as used in Section 102.

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[1] Counsel for petitioners is advised by the Clerk that oral argument in the Hazeltine case is presently set for the week of November 15, 1965.

It is pointed out at page 13 of the Brief Amicus (No. 919), by reference to the commentary of Mr. Federico on Section 103 of the new patent act, that to be "prior art" a reference must at least be "available". Since the patent statutes and the Patent Office rules maintain pending and abandoned applications in secrecy, they cannot be construed as part of the "prior art" unless and until they become "available" to those skilled in the art.

The fact situation in the present case is that the reference relied on by the Patent Office and the courts is an "abandoned application" of another party, to which reference was made in a "continuation-in-part application" filed by that same party *after* the petitioners' application was filed. The "abandoned application" did not "anticipate" petitioners' claimed process but due only to the "new matter" in the "continuation-in-part application" of that party, the latter would have been an "anticipation" of petitioners' claimed invention *if the "continuation-in-part" application had been filed early enough to antedate petitioners' application.* In this respect, the reference (i.e., the Hoppe et al. *patent*) used against petitioners' application was not even a "copending patent" as that term is defined by counsel for respondent (Brief for Respondent, footnote 7, page 7), or as defined in Hazeltine, since it was not "applied for before the invention and application in issue".

So long as the Court takes cognizance of the fact situation in the present case in reaching its decision in the Hazeltine case, petitioners do not feel that they would be prejudiced by a delay in action on the second question presented in this petition, as recommended in the alternative by counsel for respondent.

It should be noted, however, that an affirmance of the decision of the Court of Appeals in the Hazeltine case might not dispose of the question presented herein since the Hazeltine case does not involve an "abandoned application" which never issued as a patent or a "continuation-in-part application" filed *after* the application in issue. A reversal of the Court of Appeals in Hazeltine, on the other hand, would constitute a basis for summary reversal of the Court of Appeals on the second question presented herein.

In the event the Court affirms in the Hazeltine case, petitioners respectfully pray, therefore, that the present petition be granted in order that they may be heard on the merits of their own case.

3. Petition for Certiorari Raises Question as to Whether "Patentability" and "Obviousness" Are Questions of Law, Questions of Fact or Mixed Questions of Law and Fact From Standpoint of Reversibility of Decisions of Patent Office and District Court

The crux of the question presented here is really whether or not the rule of presumption of correctness which is applied in determining the pure fact question of priority of invention (as in *Morgan* v. *Daniels*) must, *a fortiori,* apply to the questions of law or mixed questions of law and fact as to "patentability" and "obviousness". Respondent, in his Brief in Opposition at pages 5 and 6, contends that the issue of "obviousness" or "patentability" is a question of fact and therefore *Morgan* v. *Daniels,* which dealt with a pure fact question of priority of invention, has been properly extended by the Court of Appeals in *Abbott* v. *Coe,* 109 F. 2d 449; *Esso Standard Oil Company* v. *Sun Oil Company,* 229 F. 2d 37 and *Schafer* v. *Watson,* 228

F. 2d 144, to the law question of *patentability*. Petitioner disagrees.[2]

Only a resolution of the problem by the Supreme Court of the United States will settle the question as to whether the Court of Appeals for the District of Columbia Circuit will be permitted to determine for itself, regardless of the holdings of the Court of Customs and Patent Appeals and other Circuit Courts of Appeals, those findings or conclusions as to which a "presumption of correctness" shall attach and the burden required to overcome any such presumptions. Considering the respective roles of the Courts of the District of Columbia and the Court of Customs and Patent Appeals as Courts of original jurisdiction and an appellate tribunal, respectively, it is imperative that the Supreme Court take a hand in the matter before

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[2] In Mr. Justice Douglas' concurring opinion in *Great A & P Tea Co.* v. *Supermarket Equipment Corp.*, 71 S. Ct. 127; 340 U.S. 147, validity was deemed to be a question of law. Since "patentability" is merely a term used primarily in the process of determining whether a patent *should issue* and the term "validity" is used to express the same concept *after* the patent has issued, there should be no difference between Circuits as to whether "patentability" or "validity" is an issue of law or fact. "Obviousness", on the other hand, is one criterion of "patentability" or "validity" and therefore may be a mixed question of law and fact or, at most, an ultimate fact determined by drawing inferences from the basic facts. Therefore, the "presumption of correctness" of the Trial Court's findings of fact under Rule 52(a), F.R.C.P. and the presumption of correctness of findings of basic facts by the Patent Office does not extend to the ultimate facts, inferences to be drawn from basic facts, conclusions of law or mixed questions as to "obviousness", "patentability" or "validity". A pertinent discussion of the matters as to which a "presumption of correctness" attaches under Rule 52(a) FRCP appears in a relatively recent article in 49 Virginia Law Review 506 (1963).

the situation, which is now utterly confused in the District of Columbia, becomes hopeless.[8]

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[8] The Circuit Courts of Appeals and the Court of Customs and Patent Appeals have generally treated the issue of "patentability" as a question of law or at least one which is to be decided by the Courts. See *Monroe Auto Equipment Co.* v. *Heckethorn Mfg. & Sup. Corp.*, 332 F. 2d 406, 410-412 (CA 6), cert. den. 379 U.S. 888; 85 S. Ct. 160, and cases cited therein, including *In re Sporck*, 301 F. 2d 686, 690-691 (CCPA); and see *National Slug Rejectors* v. *A. B. T. Mfg. Corp.*, 164 F. 2d 333, 336; cert. den. 68 S. Ct. 459, 333 U.S. 832; rehearing den. 68 S. Ct. 658, 333 U.S. 850. The Court of Appeals for the District of Columbia Circuit, however, treats the issue as a *question of fact* in that it applies the "clearly erroneous" rule as a prerequisite to reversal of either the Patent Office or the Trial Court. In *United States* v. *McShain*, 258 F. 2d 422, 103 App. D.C. 328, cert. den. 79 S. Ct. 523, 58 U.S. 832, the Court of Appeals for the District of Columbia Circuit nevertheless held that where the only question before the Court is the interpretation of written documents, "That is a 'question of law' as to which this Court is not bound by the 'clearly erroneous' provision of Federal Rules of Civil Procedure, Rule 52(a)". Since the issue of patentability in cases such as that set forth in the present petition is resolved by interpretation of a written document in the nature of an issued patent or an application filed in the Patent Office, the Court of Appeals is being inconsistent with the rule laid down in *U. S.* v. *McShain*, supra, in applying the "clearly erroneous" rule to patentability cases, particularly where additional documentary evidence as well as oral testimony which was not before the Patent Office is before the Trial Court and the Appellate Court. If the Court of Customs and Patent Appeals, solely on the basis of a printed record, is not bound by the "clearly erroneous" rule, there is no reason why the Court of Appeals for the District of Columbia or the District Court, in a trial *de novo*, should be bound by any such rule or presumption. This conflict between the Court of Customs and Patent Appeals and the Court of Appeals for the District of Columbia Circuit should be resolved by granting the present petition and reversing the Court of Appeals on its application of the "clearly erroneous" rule to this case since it is a denial of due process for the Court of Appeals to apply a rule which is contrary not only to the rule applied in courts of parallel jurisdiction but even contrary to its own application of the rule and the rule laid down by the Supreme Court in *Great A & P Tea Co.* v. *Supermarket*, supra.

4. Petitioners Have Not Retreated From Position Regarding Availability of "Abandoned Applications" as References

Respondent asserts that petitioners "conceded that certain disclosures brought forward in the Hoppe patent as a continuation-in-part of an abandoned 1952 application were a proper reference" (Brief for Respondent, pages 3-4).[4]

Petitioners take the position that September 26, 1956, *the date of issue* of the Hoppe et al. patent, was the first time the public could have known of the existence of the "abandoned application" and therefore the "abandoned application" referred to therein did not become "available" to those skilled in the art and therefore did not become a part of the "prior art" *until that date.* That does not constitute a concession that the "abandoned application" was *known* or was a part of the "prior art" *retroactively* to its own filing date. It would be available as a reference to show "prior invention" as of its own filing date *only if it disclosed the invention claimed by petitioners.*[5]

At the time of trial, the Solicitor for the Patent Office argued in support of the Board's contention (JA 331) that petitioners' invention was *inherent* in the disclosure of the "abandoned application". However,

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[4] Even in Hazeltine (No. 57) and Foster (No. 347) there is no argument that a reference *which discloses the claimed invention* would not be proper evidence of "prior invention" if it *antedates* the date *the same invention was made* by the petitioners.

[5] Concession, or even stipulation by counsel as to the "legal effect of admitted facts" is not binding on the Court, in any event. *Swift & Co.* v. *Hocking Valley RR. Co.*, 243 U.S. 281, 37 S. Ct. 287. (cf. 92 ALR 663) This is particularly true where it is not necessary to examine or appraise the evidence itself to decide the question of law even though the question was never raised before. *Kiefer Stewart Co.* v. *Joseph E. Seagram & Sons*, 340 U.S. 211; 71 S. Ct. 259.

the Trial Court held that petitioners' invention was *not* disclosed in the "abandoned application" (JA 14). Thus, petitioners' concession as to admissibility of the "abandoned application" was limited to its use to show "prior invention" under Section 102 (if it did, in fact, establish that the invention claimed by petitioners was disclosed therein) but not as evidence of what was the "prior art" under Section 103 when petitioners filed their application *long prior* to September 26, 1956.

It would have been an exercise in futility to urge in the District Court that Judge Jackson, sitting as a District Judge, should overrule himself, sitting as a Judge and speaking for the Court of Customs and Patent Appeals *In re Heritage,* 182 F. 2d 639, where he announced the rule that "any reference to a disclosure which is available to the public is permissible". In that case, however, the abandoned application was "available to the public" *at the time the applicant-appellant filed his application* and he was presumed to have been aware of the contents of the "abandoned application" as "prior art" since it was referred to in a patent that issued *before the applicant made his invention or filed his application.*

5. Issue of Due Process Raised by Petitioners in Appellate Court

It is petitioners' position that they cannot be said to have waived the right to raise and argue any and all issues of law or mixed issues of law and fact at any stage of the trial or along the appellate route, even to the doorstep of the Supreme Court of the United States.

The issue of due process was raised before the Court of Appeals, and thoroughly briefed and argued there,

contrary to the assertion of respondent's counsel that that issue is raised for the first time in the present petition. Indeed, the appellate court is the first place the issue could properly have been raised since it was not until the District Court decided the case that it became apparent that due process had been denied petitioners. Moreover, it is the Circuit Court that laid down the rule, followed by the District Court, which resulted in the denial of due process. Only the appellate court had the power to overrule itself on this issue. This it refused to do, tenaciously adhering to its own precedents of *Abbott* v. *Coe, supra; Esso* v. *Sun Oil, supra; Shafer* v. *Watson, supra;* and *Standard Oil* v. *Marzall, 86 App. D. C. 210, 181 F. 2d 280.* (Petitioners' Brief, Appendix 20a).

6. Importance of First Question Presented in Present Petition Not Disputed by Respondent

The Brief for Respondent does not deny that the first question presented in this petition (Petition, page 2) is an important question which is present in every case which arises under 35 U.S.C. 145. That question is whether the District Court for the District of Columbia and the Court of Appeals for the District of Columbia Circuit are affording due process and applying the proper criteria in adjudging whether or not an applicant "is entitled to receive a patent" under 35 U.S.C. 145 where the applicant puts in evidence of unobviousness which was not before the Patent Office and no evidence is offered by the Patent Office other than its previously stated self-serving opinion as to "obviousness" under 35 U.S.C. 103. It includes the question of whether the courts accord *finality* to a mere presumption, notwithstanding the presence of new and additional evidence which was before the Trial

Court but was not before the Patent Office when it refused to issue a patent.

Since the Court of Appeals for the District of Columbia Circuit and the Court of Customs and Patent Appeals are the Courts of last resort and the only Courts in the country to which recourse lies under 35 U.S.C. 141 to 145, inclusive, from the refusal of the Patent Office to issue a patent to an applicant, it is important that the Supreme Court of the United States lay down the proper criteria for them to follow. *Morgan* v. *Daniels,* 153 U.S. 120, the last and only pronouncement of this Court on any issue remotely related to that posed herein was rendered before the Court of Customs and Patent Appeals was given jurisdiction over direct appeals from the Patent Office and was based on a procedural routine which is no longer provided by law.*

Morgan v. *Daniels* concerned an adversary proceeding between private parties, not one between an applicant for patent and the Commissioner. Consistent with the past actions of the Supreme Court in carefully scrutinizing the denial of due process by government agencies and the courts in which the government and a private party are the litigants, petitioners respectfully submit that the Supreme Court should take jurisdiction of the present case.

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* In the first place, *Morgan* v. *Daniels* involved a determination, as between rival claimants, as to which was entitled to receive a patent. This involved determination of basic facts, not a conclusion of law or mixed question of law and fact. In the second place, the procedure allowed there was a direct appeal to the appellate court and a *subsequent* trial de novo in the District Court (and ensuing appeal to the same appellate court) if either party was dissatisfied with the outcome of the appeal.

The second question presented herein is obviously current and important due to the fact that *each and every patent or trademark case* filed against the Commissioner of Patents in the United States District Court for the District of Columbia under 35 U.S.C. 145 and 15 U.S.C. 1071(b), respectively, inherently involves the question presented here. The number of such cases is so large that a single Judge (Hon. Joseph R. Jackson, Senior Judge, formerly a Judge of the Court of Customs and Patent Appeals) has been assigned to hear these cases and substantially all of his time is devoted to the trial and decision of these actions.

Considering also the fact that respondent (Brief for Respondent, page 6) takes issue with petitioners' contention that the Court of Customs and Patent Appeals applies a different standard in affirming or reversing the Patent Office in its refusal to issue a patent, and considering further the fact that the Court of Customs and Patent Appeals and the Circuit Courts of Appeals look to each other for precedents on common issues of law and mixed issues of law and fact, it is important that the Supreme Court review the actions of those courts and bring their views into harmony.[7]

Petitioners respectfully submit that, outside the issues in the patent cases in which the Supreme Court has already granted certiorari, there is no more important issue of patent and trademark law from the standpoint of the public, the courts, the government,

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[7] Perhaps the tendency for the Court of Customs and Patent Appeals to attach no presumption of correctness to rulings of the Patent Office stems from the fact that until *Lurk* v. *United States*, 370 U.S. 530; 82 S.Ct. 1459 and the passage of the *Act of August 25, 1958*, 72 Stat. 848, that Court considered itself a Legislative Court and therefore was part of the administrative rather than the judicial apparatus of the government.

patent and trademark applicants and the bar than the question presented here. Unless recourse is had to the Supreme Court to guarantee a fair trial through the application of proper and reasonable criteria by the inferior courts, patent and trademark applicants are apt to lose confidence in the judiciary as well as the executive branch and thereby weaken the patent and trademark system.

7. Conclusion

Lest the thrust of petitioners' plea be obscured by the length of the present reply, suffice it to say that petitioners pray that their petition be granted since it presents:

1) An important question of judical administration and due process which has neither been considered or decided by this Court since the jurisdiction of direct appeals from the Patent Office under 35 U.S.C. 141 to 144, inclusive, (and its Predecessor Sections 4911-4914 of the Revised Statutes) has been conferred on the Court of Customs and Patent Appeals (or, for that matter, since the Court spoke on a similar issue in *Morgan* v. *Daniels* in 1894 when different procedures and remedies applied);

and

2) An important question as to what constitutes available "prior art", as of the date an invention is made, as the term "prior art" is used in 35 U.S.C. 103. The importance of this question is reflected in the fact that one petition has been granted (Hazeltine, No. 57) and still another petition besides the present one is pending (Foster No. 347), and in the latter case the Court of Cus-

toms and Patent Appeals overruled itself (*In re Palmquist, 319 F. 2d 547*), one Judge dissenting in the latest ruling.

Wherefore, petitioners pray that the present petition be granted as to both questions presented.

Respectfully,

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